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FISCAL IMPACT STATEMENT

LS 7225

BILL NUMBER: SB 556

NOTE PREPARED: Jan 21, 2013

BILL AMENDED:

SUBJECT: SNAP and TANF.

FIRST AUTHOR: Sen. Stoops

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

Summary of Legislation: This bill provides that individuals who have been convicted of a substance abuse offense and are successfully participating in a reentry court program, a problem-solving court program, a community corrections program, parole, or probation are eligible for the federal Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). The bill changes references to food stamps to refer instead to the federal SNAP. It also removes the eligibility period for TANF.

Effective Date: July 1, 2013.

Explanation of State Expenditures: *Summary:* Currently, only individuals who have been convicted of misdemeanor offenses involving controlled substances and are participating in a reentry court program are eligible for SNAP and TANF for a maximum of 12 months. The bill removes this 12-month maximum benefit eligibility for reentry court participants and also expands eligibility for TANF and SNAP to individuals who have been convicted of misdemeanor offenses that involve a controlled substance and are successfully participating in a problem-solving court, a community corrections program, probation, or parole.

SNAP program benefits are funded by the federal government, so any increase in state expenditures will be (1) to provide TANF benefits to these individuals and (2) from removing the 12-month maximum benefit eligibility for reentry court participants. Actual increases in state expenditures are unknown, but expected to be small.

Additional Information:

SNAP and TANF Background Information: SNAP benefits are provided solely by the federal government. The state is only responsible for 50% of the administrative costs of the SNAP program.

TANF assistance is shared between state and federal governments. However, the federal share is provided through a capped block grant allocation with a state maintenance-of-effort (MOE) requirement. TANF block grant allocations are determined on a formula basis with increased flexibility for their use by the states over what was permitted under the prior Aid to Families with Dependent Children (AFDC) Program. The state contributes roughly 1/3 of the benefits in the TANF program.

Individuals who would be eligible for TANF under this bill would receive a monthly benefit amount of either \$90 or \$58.50, depending on family size.

As a result of expanding the SNAP- and TANF-eligible population, this bill is expected to only increase state expenditures for TANF benefits.

Maximum Duration of Benefits: The bill also removes the 12-month maximum duration of benefits (for SNAP and TANF) for all individuals who are receiving services through a reentry court program. As a result, individuals who are participating in a reentry court program, problem-solving court, a community corrections program, probation, or parole could be eligible for TANF and SNAP benefits for the maximum period of eligibility for adults.

Even though this bill expands eligibility of all offenders participating in one of the specified programs, offenders would still be required to meet income eligibility criteria for the TANF and SNAP programs and be parental adults for participation in the TANF program. Additionally, parental adults can only receive TANF benefits for a maximum of 24 months. To that extent, this bill could increase TANF expenditures to provide an additional 12 months of TANF benefits to offenders who previously received 12 months of TANF benefits and are currently participating in a reentry court program.

Increasing the number of individuals who are eligible for SNAP benefits is not expected to increase state expenditures as these benefits are provided entirely by the federal government. However, increasing the number of people who are eligible for TANF benefits, as well as the maximum time they can receive benefits could increase state expenditures to the extent (1) the newly eligible individuals request and receive TANF benefits and (2) individuals who are currently eligible for TANF benefits because of their participation in a reentry program, yet exceeded the maximum duration of benefits (12 months), receive additional TANF benefits as a result of the bill.

Estimation: The FSSA has no record of providing TANF benefits to individuals who have participated in reentry court programs. However, reentry court participants could be eligible for an additional 12 months of TANF benefit payments between \$90 and \$58.50 per month (depending on family size). It is not known how many individuals could be eligible for an additional TANF benefit of 12 months under the bill, but the number of eligible individuals is expected to be very small.

The following information was reported regarding the number of individuals participating in the following programs for 2011 and 2012:

| Program | Offender Population |
|-------------------------------|----------------------------|
| Probation | 65,177 |
| Community Corrections | 7,308 |
| Parole | 10,022 |
| Problem Solving Courts (2012) | 2,200 |
| Total | 84,707 |

It is not known how many of these 84,707 individuals have drug-related offenses or how many of these individuals would meet other eligibility requirements to receive TANF benefits. Additionally, it was reported that the average participation time in each correction program is longer than 12 months. As a result, it is possible that offenders participating in these programs could utilize the maximum duration of TANF benefits allowed under the bill (24 months).

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Mary Kay Hudson, Indiana Judicial Center; Christina Hage, FSSA.

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